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Financing of the United Nations Preventive Deployment Force

Final disposition of the assets of the United Nations Preventive Deployment Force

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the final disposition of the assets of the United Nations Preventive Deployment Force (UNPREDEP) contained in document A/55/390. During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information.

2. The report of the Secretary-General (A/55/390) is submitted pursuant to section VII of General Assembly resolution 49/233 A of 23 December 1994, in which the Assembly endorsed the proposals of the Secretary-General on the disposition of the assets of peacekeeping operations. According to the Secretary-General, the inventory value of the assets of the Force as at 1 March 2000 amounted to some $20.2 million, 46 per cent of which have been transferred to the other peacekeeping operations or to the United Nations Logistics Base at Brindisi, Italy (UNLB) for temporary storage.

3. As indicated in the report (ibid., para. 6 (b) (i)), assets with an inventory value of $5,202,600 were sold for $2,391,500 (excluding expendable assets with a value of $480,900) to other organizations or within the mission area. The Committee notes that two of the purchasing organizations, the International Tribunal for the Former Yugoslavia and the Office of the United Nations High Commissioner for Human Rights, are funded from assessed budgets. The Secretariat acknowledged, upon enquiry, that assets had been sold to the International Tribunal and the Office of the High Commissioner due to an error. The Committee was also informed that in future the Department of Peacekeeping Operations would ensure that United Nations activities financed from assessed contributions are not invoiced for equipment.

4. Information on losses of United Nations property is contained in the Secretary-General's report. The Advisory Committee notes that assets with an inventory value

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of $79,600 had been written off as unaccounted for due to the fact that the liquidation team was not able to identify the names of the officials who received some of the equipment provided to the battalions, including items of welfare, catering, petroleum and miscellaneous equipment (ibid., para. 7 (a)). The Committee was informed that in some cases the problems resulted from the fact that the receiving officials were military personnel, who were subject to transfer every six months. The Committee was also informed, upon enquiry, of the following:

> "Prior to the introduction of the new procedures for the reimbursement of contingent-owned equipment, the standard policy was to assign United Nations-owned items in bulk to the representative of military contingents, normally a commanding officer or a logistics officer. He/she would sign for the assets and the list of issued equipment would be maintained in a database against the name of the contingent. Upon the contingent's withdrawal, during exit check-out procedures, all issued United Nations-owned equipment would be returned and checked against records in a database. However, assets would often be unaccounted for and accountability would be hampered by the frequent rotation of military personnel over the life-span of the mission. These issues have been largely resolved with the introduction of the new procedures for contingent-owned equipment and the field assets control system".

The Committee trusts that since the field assets control system is fully operational, instances of inability to identify the names of the officials who receive assets would be reduced. The Committee also recommends that, as a general rule, United Nations officials should be designated to receive, inspect and report on equipment provided to missions.

5. The Advisory Committee recalls that it had recommended that proceeds from the sale of assets of United Nations peacekeeping operations should be shown as miscellaneous income in performance reports. The representatives of the Secretary-General informed the Committee that this would be implemented.

6. The Secretary-General seeks authority from the General Assembly for the transfer to the Government of the former Yugoslav Republic of Macedonia of assets with a total inventory value of $1,705,200 and a corresponding residual value of $835,300. The Advisory Committee notes that the transfer has already been made under "temporary possession" arrangements, pending the approval of the General Assembly (ibid., para. 6 (b) (ii)). Upon enquiry, the Committee was informed that the transfer was made in March 1999, following the determination by the liquidation team, and concurred with by Headquarters, that it was not economical to secure, dismantle, ship and do site restoration. **In this particular case the Committee recommends the approval of the transfer, but, as a matter of principle, recommends that proposals on such grants of temporary possession should in the future be submitted to the Committee once it has been determined that transfers are going to be made but prior to actual transfer, whether under "temporary possession" arrangements or otherwise.**

7. The Advisory Committee was informed that the final report on the liquidation of UNPREDEP will be submitted to the resumed fifty-sixth session of the General Assembly. The final performance report will contain details of the liquidation exercise, including the settlement of the receivable and payable claims, the reconciliation of bank accounts, the reconciliation of Headquarters and field inter-office vouchers, the recoveries from other United Nations missions, the follow-up

with the Headquarters Property Survey Board on cases of losses of United Nations property and the settlement of travel and other personnel claims. The Committee recalls its observation, reflected in its previous report on UNPREDEP, that "as more missions are liquidated, the Department of Peacekeeping Operations takes on more residual liquidation activities. It is essential, therefore, that the Department review its capacity in this area so that undue delays are not experienced in the final phase of the liquidation of missions" (A/54/824, para. 9).

8. **The Advisory Committee recommends that a final liquidation report contain information on the evaluation and results of the liquidation process: how the liquidation plan was implemented, whether the resources, including staffing, had been sufficient, any other challenges encountered and steps taken to address them.**